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Request For Review

CC Docket No. 02-6

**Application Number 496629**

Clare-Gladwin RESD  
4041 East Mannsiding Rd  
Clare, Mi 48617

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# Clare-Gladwin

## Regional Education Service District

4041 East Mannsiding Road  
Clare, Michigan 48617

Phone: 989.386.3851 Fax: 989.386.3238 Website: [www.cgresd.net](http://www.cgresd.net)

### BOARD OF EDUCATION

Appeal Letter for BEN 131099

Application #: 496629 CC Docket No. 02-6

Don Hannah,  
President  
Beaverton

### FCC Appeal Letter for BEN 131099 (Clare-Gladwin RESD, Clare, MI.)

Betty Haggart,  
Vice-President  
Clare

Appeal For: USAC Administrator's Decision on Appeal

Application Number: 496629

FRNs: 1367503, 1367521, 1367522, and 1367525

Funding Commitment Decision Letter for Funding Year: 2006

Billed Entity Number: 131099

Form Identifier: CGRES-D-Telco

Carol Darlington,  
Secretary  
Gladwin

Barbara Richards,  
Treasurer  
Harrison

Service Provider: Alltel Communications

SPIN: 143008900

Service Provider: Centennial Michigan RSA 7 Cellular Corp.

SPIN: 143000447

Lynn Grim,  
Trustee  
Farwell

Service Provider: LDMI Telecommunications, Inc.

SPIN: 143005202

Service Provider: Michigan Bell Telephone Company

SPIN: 143001727

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### ADMINISTRATION

Sheryl Presler,  
Superintendent

Contact Name: Ken Chinavare

Contact Address: 4041 E. Mannsiding Rd.

Contact Telephone Number: (989) 386-8627

Contact Fax Number: (989) 386-3238

Contract E-mail Address: [kchinavare@cgresd.net](mailto:kchinavare@cgresd.net)

Deborah Synder,  
Assistant  
Superintendent  
for  
General Education

Appeal Prepared By: Elite Fund, Inc.

Phone Number: (800) 705-9703

Fax Number: (815) 717-9761

E-mail Address: [michon@elitefund.com](mailto:michon@elitefund.com)

Maureen Thurlow,  
Assistant  
Superintendent:  
Director of Special  
Education

To Whom It May Concern:

Barbara Guimond,  
Assistant  
Superintendent:  
Director of  
Educational  
Accountability

This letter is an appeal to the FCC for application 496629, which was denied in the amount of \$31,733.65. FRNs 1367503, 1367521, 1367522, and 1367525 were originally denied by USAC because "Consultant services were rendered prior to the signing of a consulting agreement or a Letter of Agency, authorizing the consultant to act on your behalf."

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List A B C D E

MISSION STATEMENT: The Clare-Gladwin Regional Education Service District's mission is to provide cooperative assistance, creative leadership, and specialized expertise to local school districts to enhance and expand educational opportunities for all.

**Appeal Letter for BEN 131099**  
**Application #: 496629 CC Docket No. 02-6**

These FRN's were appealed to USAC on 8/29/06 and again denied of 2/21/07 because "Since you have not provided evidence in appeal that USAC erred in the original determination and new documentation cannot be accepted on appeal, consequently, your appeal is being denied". We provided USAC with the following explanation and evidence that there was and currently is a consulting agreement approved by the Clare-Gladwin RESD School Board between Elite Fund, Inc and the Clare-Gladwin RESD:

Although the Letter of Agency was drafted and signed after the 470 and RFP were submitted, a **signed agreement and Purchase Order** were in place on **7/21/2005**, well before the Funding Year 2006 470 and RFP were posted/submitted. It has always been the practice of Elite Fund, Inc. to obtain Purchase Orders from their customers. The Selective Review documentation "Please provide a complete signed and dated copy of any consulting agreement(s), which may include Letters of Agency relating to the planning, implementation, and support of your E-rate funding request(s). If consulting agreement(s) were not used, please indicate as such." Please find attached the issued Purchase Order, canceled check, and board meeting minutes from Clare-Gladwin RESD that clearly shows a signed agreement was in place prior to the submission of the 2006-2007 application. Please note that this agreement was for 3 years (2005 to 2008).

Knowing that we had a binding consulting agreement in the form of a School Purchase Order, Elite Fund, Inc submitted the Form 470 on Nov 15<sup>th</sup>, 2005. The November 10, 2005 USAC News Brief stated that "Neutral consultants that are not connected to service providers may assist you in filing your Form 470 and responding to USAC questions. Be sure to give your consultant a Letter of Agency before the consultant acts on your behalf." Elite Fund, Inc. prepared its Letters of Agency after that news brief was issued, to be used as additional documentation that Elite Fund, Inc has a consulting agreement with the Clare-Gladwin RESD. In doing so we used the creation date of the documentation, instead of the Purchase Order date of 7/21/05.

In summary, we believe that the intent of the rules was followed. The rules seem to insure that there was a contractual relationship between the school and the consultant that allowed the consultant to act on the district's behalf in regards to the application process. Please note that all of the following happened well **before** the RFP was posted and the Form 470 was submitted.

1. Elite Fund, Inc. submitted a Scope of Services to CGRESD on 05/09/05 listing the services to be provided during the contractual period to be approved. (See Scope of Services)
2. The CGRESD Board of Education met on 06/06/05 and approved the consulting agreement between CGRESD and Elite Fund for 07/01/05 To 06/30/08. (See Board Minutes)
3. The CGRESD issued a purchase order based upon the Elite Fund Scope of Services on 07/21/05. Note: In Michigan, a signed purchase order is a binding contract and agreement between the district and the named vendor to provide services as stipulated. (See Purchase Order).
4. Elite Fund, Inc. issued an invoice for services as stipulated in Scope of Services and Purchase Order. (See Invoice # 248)
5. The CGRESD issued a check to Elite Fund, Inc. to pay for services as Stipulated in Scope of Services and Purchase Order. (See cancelled check #058993 dated 07/27/05)

**Appeal Letter for BEN 131099**  
**Application #: 496629 CC Docket No. 02-6**

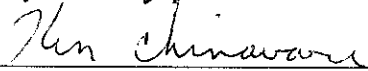
We greatly appreciate your consideration and hope the situation can be rectified. If you require any further information, please do not hesitate to contact one of us.

Respectfully,

Authorized Signature:

  
\_\_\_\_\_  
Sheryl Presler-Superintendent Clare-Gladwin RESD

Date: 04/16/2007

  
\_\_\_\_\_  
Ken Chinavare-Director of Technology Clare-Gladwin RESD

Date: 04/16/2007

  
\_\_\_\_\_  
Michon Wiesen-USF Account Manger Elite Fund, Inc.

Date: 04/16/2007

**Ken Chinavare - USF 2005-06**

---

**From:** "George Winchell" <george@elitefund.com>  
**To:** "Ken Chinavare" <kchinavare@cgresd.net>  
**Date:** 7/14/2005 9:23 AM  
**Subject:** USF 2005-06  
**CC:** "Michon Weisen" <michon@elitefund.com>

---

Good morning Ken,

As per your verbal statement a few weeks ago, I put CGRESD down in our books for a three year contract at \$26,100/year. Please send us a purchase order with this (or similar) language so that we can reference your PO in our invoicing. In order to comply with your district policies, you may want to issue a separate PO each year of the contract as time goes by.

|   |                 |
|---|-----------------|
| <b>Universal Service Fund support service for 2005-06</b> | <b>\$26,100</b> |
| Three-year contract (payable each year)                   |                 |
| Year one (July 1, 2005 – June 30, 2006)                   | \$26,100        |
| Year two (July 1, 2006 – June 30, 2007)                   | \$26,100        |
| Year three (July 1, 2007 – June 30, 2008)                 | \$26,100        |

Thank you for our continued partnership. If you have any questions, please feel free to contact Michon or me.

George

George W. Winchell, President  
 Elite Fund, Inc.  
 Stanton, MI 48888

Vendor: 18750

**PURCHASE ORDER**  
**CLARE GLADWIN R.E.S.D.**  
4041 E. MANNSIDING ROAD  
CLARE, MI 48617  
(989) 386-3851

PURCHASE ORDER NO.

**502762**

IMPORTANT  
PURCHASE ORDER NUMBER MUST  
APPEAR ON ALL INVOICES,  
PACKAGES AND CORRESPONDENCE

Page 1

Purchase  
Order

TO: ELITE FUNDING INC.  
617 EAST LAKE STREET  
STANTON, MI 48888

SHIP TO:  
CLARE GLADWIN RESD  
4041 EAST MANNSIDING ROAD  
CLARE, MI 48617  
(989) 386-3851  
ATTN: KEN CHINAVARE

Fax Number: (989) 831-5555

DATE 7/21/05

REQUIRED 7/21/05

SHIP

REQ

| QUANTITY | DESCRIPTION   | DISCOUNT | UNIT PRICE  | TOTAL              |
|----------|---|----------|-------------|--------------------|
| 1        | EA<br>11.1284.3192.405.0000.00000<br>USF ERATE CONSULTANT SUPPORT SRVCS 05-06<br>SEE ATTACHED QUOTE FOR DETAILS |          | 26,100.0000 | 26,100.00          |
|          |   | TOTAL    |             | 26,100.00<br>***** |

SEND ALL INVOICES TO  
SANDY MUSGROVE - ACCOUNTS PAYABLE  
INCLUDE PURCHASE ORDER NUMBER ON INVOICE

01 <  
7-2705  
140

PO# must appear on all correspondence.  
Prepay shipments. Do not ship collect.  
Order is state and federal tax exempt.  
OSHA & MIOSHA standards must be met.  
Invoice each P.O. seperately.

Authorized Signature :

*Douglas E. Dodge*

VENDOR

*Elite Fund, Inc.*

617 E. Lake St.  
Stanton, MI 48888

# Invoice

| DATE      | INVOICE # |
|-----------|-----------|
| 7/14/2005 | 268       |

|  |
|--|
| BILL TO  |
| CGRES<br>ATTN: Ken Chinavare<br>4041 East Mannsiding Road<br>Clare, MI 48617 |

| P.O. NO. | TERMS |
|----------|-------|
| 502762   |       |

| ITEM     | DESCRIPTION  | Est Amt   | Prior Amt | QTY | RATE      | Curr %  | AMOUNT    |
|----------|--|-----------|-----------|-----|-----------|---------|-----------|
| USF Serv | USF Support Service Annual Fee (\$29,000) -- 10% Discount/year for Three-Year Contract (July 1, 2005 - June 30, 2008)<br><br>Payment #1: \$26,100 x 20% = \$5,220 (Due July)<br>Payment #2: \$26,100 x 30% = \$7,830 (Due October or following Form 470 submissions)<br>Payment #3: \$26,100 x 30% = \$7,830 (Due January or following Form 471 submissions)<br>Payment #4: \$26,100 x 20% = \$5,220 (Due June)<br><br>Alternative Pricing:<br>Two Year Contract -- \$27,550/yr (5% discount)<br>Three Year Contract -- \$26,100/yr (10% discount) | 26,100.00 |           | 1   | 26,100.00 | 100.00% | 26,100.00 |

Thank you for allowing us to help your district for 2005-06.

**Total**

\$26,100.00

|              |
|--------------|
| Phone #      |
| 800-705-9703 |

THE SECURITIES AND EXCHANGE COMMISSION  
 1700 K STREET, N.W.  
 WASHINGTON, D.C. 20549  
 (202) 955-2800  
 FEDERAL RESERVE BOARD OF GOVERNORS REG. C.

10005001814 888305  
 072000096 8888888888  
 052415394 08-02-05  
 CHEMICAL BANK WEST  
 072404948  
 08022005  
 0701716 0001520042

ENDORSE CHECK HERE  
 FOR DEPOSIT ONLY  
 ELITE FUND INC  
 ACCT# 2250044977

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
 RESERVED FOR FINANCIAL INSTITUTION USE.

CLARE - GLADWIN R.E.S.D.  
 4041 E MANSIDING ROAD  
 CLARE, MICHIGAN 48617  
 ACCOUNT PAYABLE

FIRSTBANK

74-0475724

| DATE             | CHECK NUMBER |
|------------------|--------------|
| 7/2/05           | 058993       |
| CHECK AMOUNT     |              |
| *****\$26,100.00 |              |

PAY Exactly Twenty Six Thousand One Hundred Dollars and Zero Cents

TO THE ORDER OF  
 ELITE FUNDING INC.  
 617 EAST LAKE STREET  
 STANTON MI 48888

052415394 8888888888 08-02-05  
 Charles E. Jody  
 Barbara Richards  
 AUTHORIZED SIGNATURES

⑈058993⑈ ⑆072404948⑆ 2810062733⑈ ⑆0002610000⑆



## FINANCE COMMITTEE MEETING - 6:30 p.m.

Clare-Gladwin Regional Education Service District  
Board of Education - Regular Board Meeting  
June 6, 2005 - 7:00 p.m. (Following Board Member Election @ 7:00 p.m.)

### RECORD OF MINUTES

- A. The meeting was called to order at 7:02 p.m. by Don Hannah, President.
- B. Pledge of Allegiance was recited.
- C. Members Present: Don Hannah, Betty Haggart and Lynn Grim
- Members Absent: Margra Grillo and Barb Richards
- Administration Present: Superintendent Doug Dodge, Tammy Chaffee, Ken Chinavare, Barb Guimond (arrived 8:05 p.m.), Tim Hughes, Julie Lytle, Ron Morley (arrived 7:20 p.m.), Sheryl Presler, Peggy Sandow, Deb Snyder, and Maureen Thurlow
- D. Approval of Board Agenda
- It was moved by Haggart, supported by Grim that the board approve the agenda as amended with the addition of Item K-#14 USF Funding Bids. With a 3-Yes, 0-No votes, the motion unanimously passed.
- E. Election of Board Member
- President Don Hannah called the biennial election to order at 7:04 p.m. and highlighted pertinent School Law regarding biennial elections consistent with new election laws. President Hannah noted in the absence of Margra Grillo, Betty Haggart would act as Secretary and he would preside over the election as Chairperson.
- Roll of Local School District Electors Present as follows:
- |                             |           |
|-----------------------------|-----------|
| Janet Zdrojewski/Beaverton  | - Present |
| Daniel Moore /Clare         | - Present |
| Penny Parsons/Farwell       | - Present |
| Jean Jurgensen/Gladwin      | - Present |
| Raye Lynn Walraven/Harrison | - Present |
- Ballots were distributed. Chairperson Don Hannah appointed Daniel Moore and Jean Jurgensen as canvassers. Ballots were completed, canvassed and the results read, with Lynn Grim being unanimously elected. The election adjourned at 7:07 p.m.

## Clare-Gladwin Regional Education Service District

### Board of Education - Regular Board Meeting

June 6, 2005 — Minutes—Page 2

#### F. Communications/Expressions from the Public:

1. Thank You from the Gladwin Board of Education thanking the RESD for its assistance in Gladwin's Superintendent search.
2. Letter from Jim Russell, Clare County Habitat for Humanity Chair - re: Building Trades Program ---- thanking the district's vocational education program, Jack Decker (instructor) and Tim Hughes (Program Director) for their efforts in making the program so successful and completing two new homes in the City of Harrison.

#### G. District Reports/Updates:

1. None

#### H. Approval of the Minutes:

It was moved by Haggart, supported by Grim that the board approve the minutes from the May 11, 2005 board meeting, and accept the minutes from the May 11, 2005 Finance Committee meeting and the May 23, 2005 Policy Committee meeting. With a 3-Yes, 0-No votes, the motion unanimously passed.

#### I. Approval of the Bills

It was moved by Haggart, supported by Hannah that the board approve operational bills in the amounts of \$233,312.36 for Accounts Payable Expenditures, and \$522,708.24 for Payroll and Benefits Expenditures, for a total of \$756,020.60. With a 3-Yes, 0-No votes, the motion unanimously passed.

#### J. Action Items Old Business - None

#### K. Action Items New Business:

1. Leave of Absence—Amy Case, COTA

After discussion, it was moved by Haggart, supported by Grim that the board approve Amy Case's request for a leave of absence for approximately six weeks. With a 3-Yes, 0-No votes, the motion unanimously passed.

2. Change in Work Schedule - Joann Smylie, School Psychologist

After discussion, it was moved by Grim, supported by Hannah that the board approve Joann Smylie's request that her work schedule be adjusted for the 2005 - 2006 school year from full time to three days per week with her contract adjusted accordingly. With a 3-Yes, 0-No votes, the motion unanimously passed.

**Clare-Gladwin Regional Education Service District**  
**Board of Education - Regular Board Meeting**  
**June 6, 2005 - Minutes—Page 3**

K. Action Items New Business (continued)

3. Resignation -- Jane Wittkopp, Speech Pathologist

After discussion, it was moved by Hannah, supported by Haggart that the board accept Jane Wittkopp's resignation for the second time, effective the end of the 2004 - 2005 school year. With a 3-Yes, 0-No votes, the motion unanimously passed.

4. Summer Employment Contracts:

After discussion, it was moved by Haggart, supported by Grim that the board approve summer employment contracts for the personnel as follows:

Carrie Balcirak, Early On Nurse, 6 Days - \$1,162.48  
Carrie Balcirak, Employee Training, 18 hours - \$26.38/\$26.90  
Jane Bell, SMI Teacher, 24 Days - \$5,843.82  
Linda Bennett, SMI Teacher, 24 Days - \$5,843.82  
Corrie Brown, COTA, 8 days, \$1,644.44  
Corrie Brown, COTA - Early On, 6 Days, \$1,246.46  
Amy Case, COTA, 6 Days, \$1,246.46  
Patti Engwis, Speech, 8 Days, \$2,530.68  
Tammie Glumm, Early Childhood SE, 18 Days, \$5,757.60  
Alissa Guoan, OT, 24 Days, \$4,840.62  
Judy Hasler, Speech, 12 Days, \$3,678.16  
Leah Kickbusch, Early On Teacher, 7.5 Days, \$1,503.95  
Susan Langworthy, Project Find Coordinator, 10 Days, \$3,243.66  
Wendy McConnell, Speech, 24 Days, \$6,010.32  
Annette Prielipp, SMI Teacher, 24 Days, \$5,669.64

With a <sup>3</sup>3-Yes, 0-No votes, the motion unanimously passed.

5. Hiring of a Occupational Therapist Registered (OTR) -- Nichol Hofmann

After discussion, it was moved by Grim, supported by Hannah that the board approve the employment of Nicole Hofmann for the position of Occupational Therapist, pending a successful criminal records background check, to be placed on BA+0, Step 3. With a 3-Yes, 0-No votes, the motion unanimously passed.

6. Employee Lay-offs

After discussion, it was moved by Hannah, supported by Haggart that the board approve the lay-off of three (3) Para-educators due to the following reasons:  
1. One of our students passing away who had a one on one aide; 2. One of our students graduating who had a one on one aide; 3. One of our pre-school students who had a one on one aide will be attending Kindergarten at one of our locals and that those affected individuals will be notified. With a 3-Yes, 0-No votes, the motion unanimously passed.

**Clare-Gladwin Regional Education Service District**  
**Board of Education - Regular Board Meeting**  
**June 6, 2005 - Minutes—Page 4**

K. Action Items New Business (continued)

7. Lease Agreement -- Casair, Inc.

After discussion, it was moved by Haggart, supported by Grim that the board approve the one-year lease agreement with Casair, Inc. as presented to take affect on July 1, 2005. With a 3-Yes, 0-No votes, the motion unanimously passed.

8. Copy Machine Bids

After discussion, it was moved by Hannah, supported by Haggart that the board accept the bid of Albin Business Center in the amount of \$44,613.50 for equipment and \$35,883.00 for service for a total of \$80,496.50 for copy machines. With a 3-Yes, 0-No votes, the motion unanimously passed.

9. Computer Bids

After discussion, it was moved by Grim, supported by Hannah that the board accept the bid of Great Lakes Computers in the amount of \$83,657.00 for 31 Laptop computers, 27 tower computers and 3 LCD monitors. With a 3-Yes, 0-No votes, the motion unanimously passed.

10. Voice Mail Program Bids

After discussion, it was moved by Hannah, supported by Haggart that the board accept the bid of ITI Executone, Inc. in the amount of \$15,709.52 for voice mail system equipment (\$10,046.40) and installation (\$5,663.12). With a 3-Yes, 0-No votes, the motion unanimously passed.

11. Board Policies First Readings

After discussion, it was moved by Haggart supported by Hannah that the board accept the following board policies as a first reading.

|    |   |    |                             |
|----|---|----|-----------------------------|
| A. | 0122 - Board Powers   | L. | 2414 - Reproductive Health  |
| B. | 0142.1 - Electoral Process                                    | M. | 5540 - Schls/Govt. Agency   |
| C. | 0142.2 - Qualifications                                       | N. | 6220 - Budget Preparation   |
| D. | 0142.3 - Term   | O. | 6423 - Use of Credit Cards  |
| E. | 0142.5 - Vacancy  | P. | 6680 - Recognition          |
| F. | 0142.6 - Recall   | Q. | 6830 - Audits               |
| G. | 0144.1 - Compensation   | R. | 6850 - Public Disclosure    |
| H. | 0167.2 - Closed Session                                       | S. | 7541 - Electronic DP        |
| I. | 0168.1 - Open Meeting   | T. | 8340 - Letters of Reference |
| J. | 0169.1 - Closed Session                                       | U. | 8405 - Environmental Health |
| K. | 0169.2 - Open Hearing   | V. | 8431 - Preparedness for Tox |
| W. | 6144 - Investment Policy                                      |    |                             |
| X. | 0175.1 - Board Conferences, Conventions, Workshops - Addition |    |                             |
| Y. | 3243 - Professional Meetings - Addition                       |    |                             |

With a 3-Yes, 0-No votes, the motion unanimously passed.

Clare-Gladwin Regional Education Service District  
Board of Education - Regular Board Meeting  
June 6, 2005 - Minutes—Page 5

K. Action Items New Business (continued)

12. Organizational Board Meeting Date for the 2005 - 2006 School Year

After discussion, it was moved by Hannah, supported by Grim that the board schedule the Organizational Meeting for the Clare-Gladwin RESD Board of Education for July 20, 2005 at 7:00 p.m. in Conference Room A and B of the RESD Central Office. With a 3-Yes, 0-No votes, the motion unanimously passed.

13. School Calendar for the 2005 - 2006 School Year

After discussion, it was moved by Haggart, supported by Hannah that the board approve the proposed school calendar for the 2005 - 2006 school year, with 187 days for staff members and 182 student days. With a 3-Yes, 0-No votes, the motion unanimously passed.

14. USF Funding Bids

After discussion, it was moved by Haggart, supported by Grim that the board accept the bid of Elite Fund Inc., in the amount of \$26,100 per year (for a three-year period) with a 30-day out on the contract for USF Funding services. With a 3-Yes, 0-No votes, the motion unanimously passed.

L. Non-Action Items:

1. Committee Reports

- a.) Board Policy -- Previously discussed in the agenda.
- b.) Building/Grounds
- c.) Labor Relations -- Don Hannah noted two meetings had been held with the MEA Support Staff on contract negotiations.
- d.) Personnel
- e.) MASB Representative
- f.) MASB Legislative
- g.) Clare-Gladwin Area School Board Association
- h.) REMC
- i.) School Improvement Team

M. Administrative Information Items:

1. Superintendent's Administrative Report -- Superintendent Doug Dodge discussed the following items:
- Board Conference sponsored by MASB in July
  - Gave the Board an update on negotiations with Support Staff
  - The experience of the Day School Graduation and the Habitat for Humanity Open House (of which our Building Trades Students built)

N. Board Comments

All Board Members commented about the Graduation Ceremony, how nice it was and the appreciation that they had for all of the staff that worked so hard to put such a production on! It was a wonderful event!

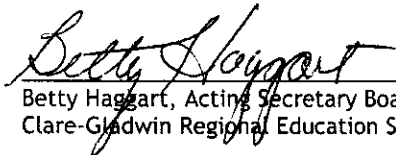
Pg. 5  
Board  
motion

**Clare-Gladwin Regional Education Service District  
Board of Education - Regular Board Meeting  
June 6, 2005 – Minutes—Page 6**

O. Closed Session for Support Staff Negotiation Strategy

The board did not go into closed session, but received a short update on negotiations with the MEA Support Staff.

P. The meeting was adjourned at 8:40 p.m.

  
Betty Haggart, Acting Secretary Board of Education  
Clare-Gladwin Regional Education Service District

Peggy L. Sandow, Recorder/Executive Administrative Assistant to the  
Superintendent and Board of Education

# CLARE-GLADWIN

Regional Education Service District

Douglas E. Dodge, Superintendent  
Ron Morley, Assistant Superintendent for Special Education

4041 East Mannsiding Road, Clare, Michigan 48617

Phone: (989) 386-3851

Fax: (989) 386-3238

Ken Chinavare  
Clare-Gladwin RESD  
4041 E. Mannsiding Rd.  
Clare, MI 48617

Re: Letter of Agency

This **Letter of Agency** confirms the participation of Clare-Gladwin RESD in the federal e-Rate program in partnership with Elite Fund, Inc. I hereby authorize Elite Fund, Inc. to act on behalf of Clare-Gladwin RESD for the 2005 funding year with the Schools and Libraries Division of the Universal Service Administrative Company as defined and delimited within the attached Scope of Services. This Letter of Agency is valid for the 2005-06 fiscal year (July 1, 2005 – June 30, 2006). Elite Fund, Inc. is authorized to assist the district in completing and filing the appropriate e-Rate forms and in responding to USAC questions related to said applications. However, Elite Fund, Inc. is not authorized to assist with the competitive bidding process or authorize (sign) applications. It is understood that **all decisions related to the submission of those applications/forms and/or in response to SLD queries shall be the responsibility of the district.**

|                 |                      |
|-----------------|----------------------|
| Name of Entity: | Clare-Gladwin RESD   |
| Date:           | 12-2-2005            |
| Signature:      | <i>Ken Chinavare</i> |
| Name:           | Ken Chinavare        |
| Title:          | Technology Director  |

**MISSION STATEMENT:** The Clare-Gladwin Regional Education Service District's mission is to provide cooperative assistance, creative leadership, and specialized expertise to local school districts to enhance and expand educational opportunities for all.

# Elite Fund, Inc.

617 E. Lake St.  
Stanton, MI 48888

Phone: (800) 705-9703  
Fax: ((989) 831-5555  
E-mail: [george@elitefund.com](mailto:george@elitefund.com)



Clare-Gladwin Regional Education Service District  
Attn: Doug Dodge, Superintendent  
4041 E. Mannsiding Rd.  
Clare, Michigan 48617

Mr. Dodge,

Elite Fund, Inc. submits this bid proposal to Clare-Gladwin Regional Education Service District for its USF Application Services Project. Please find enclosed our **Proposal** to satisfy the requirements of the bid specifications. Amongst other things, the proposal includes:

1. Scope of Services
2. Cost of Services
3. Client List

Please note that in addition to the requested bid response, Elite Fund respectfully submits an alternate proposal for consideration. Rather than providing service for only one funding year, the alternate bid includes services that would provide **continuous USF support** beyond the upcoming fiscal year through a multi-year contract. This proposal would provide USF services for all funding years within the context of each of the districts' fiscal years. A three year contract would lock in a prices less than the current (2004-05) contract.

With the continually changing e-rate requirements, it is important that the districts have the needed support services to help them access the funding available to them. Since July 1, 2004, the SLD has issued sixteen important notices that may affect current and future funding. In addition, new rules regarding technology plans, FCC licensing, administrative buildings, NCES codes, and accounting affect the 2005 Funding Year. In the past year, five of the existing Forms were revised. For the first time, last year the SLD suspended the issuance of Funding Commitment Decision Letters (per FCC directive that the USAC move to the government accounting standards).

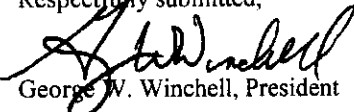
These actions and announcements affect the SLD's funding practices and schools' application procedures. It becomes more and more important for districts to have appropriate and qualified USF support. It is with great pleasure that Elite Fund, Inc. offers its many years of experience and expertise to the CGRESD and its constituent districts.

Elite Fund has partnered with CGRESD for a number of years. Our service rates have not increased during that time. In addition, we have given many value-added support services to CGRESD and its constituent districts. We would be honored to continue our USF relationship with Clare-Gladwin RESD.

If you have any questions about our proposals or our services, please feel free to contact me or Michon Wiesen. We look forward to a continued partnership.

Thank you for your consideration.

Respectfully submitted,

  
George W. Winchell, President



- Work with each district to develop contract language/purchase order for SLD approval
- Post application online
  - Answer vendor questions in response to applications and RFP's
- ◆ Complete SLD **Form 486** applications and complete and collect **Form 479** where necessary
- ◆ Complete SLD **Form 500** applications for services not needed
- Solicit all appropriate signatures and mail applications to SLD
- Respond to SLD's requests for information and problem resolution
- Follow up on products and services to ensure quality and specification integrity of funded items
- Work with vendors providing the products and service requested for funding to ensure correct billings and reimbursements
- ◆ Complete SLD **Form 472** (BEAR)
  - Audit all telecomm invoices for fundable services, as we are aware that not all telecomm services are allowable expenses as per SLD/USF guidelines
  - Calculate reimbursable expenses and submit to vendor for approval and vendor signature
  - Submit completed Form 472 to SLD
- ◆ Make sure all details are finalized
  - Track funding to insure that each district has received appropriate rebates from the vendors selected.

All detailed appeals, on-site audits, or unusual problems pertaining to e-rate will be handled by the e-rate vendor selected and will be included in the cost of the contract between CGRES D and the e-rate vendor.

Vendor must show in writing that they do not or will not sell any services that pertain to Telecommunications such as local, long distance and cell phone/pager services as well as Internet bandwidth or circuit services.

If the lack of funding is attributable to an error on the part of the e-rate vendor selected, the amount of the error will be refunded by the e-rate vendor back to CGRES D or held back if not yet fully paid by CGRES D to the e-rate vendor. The e-rate vendor will be held liable for knowingly passing along any and all inappropriate, illegal or misinformation onto CGRES D or to the SLD.

The Board of Education reserves the right to accept or reject any or all bids and to award the contract to other than lowest cost offer, if the district determines such actions in the best interest of the district. This does not commit the Clare-Gladwin Regional Education Service District to any specific course of action.

Please submit all bids to Doug Dodge, Superintendent in an envelope clearly marked USF Services Bid by no later than 4:00 pm June 1<sup>st</sup> 2005.

[kchinavare@cgresd.net](mailto:kchinavare@cgresd.net)

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GROWING & EXPANDING  
EDUCATIONAL OPPORTUNITIES

# Universal Service Fund E-Rate Support Services 2005-06

. . . . .



*Clare-Gladwin RESD's Opportunity to Grow  
and Expand Educational Opportunities  
through Technology*

### **What is the complete scope of services offered to CGRES?**

In addition to the services described above generically, Elite Fund, Inc. will, in partnership with CGRES, abide by the following scope of services:

1. Elite Fund, Inc. provides **consultative services only**. Elite Fund provides no products or services which qualify for E-Rate funding.
  - a. Elite Fund recommends no product, service, or vendor.
  - b. It is the district's responsibility to make **all** decisions regarding applications, vendors, products, or services.
2. The service provided by Elite Fund shall be related to the activities associated with all E-Rate funding years during the CGRES 2005-06 fiscal year regardless of the SLD funding year.
3. Elite Fund will analyze district Technology Plans for potential gaps between their existing plan and E-Rate requirements, if requested.
  - a. Any consultant work to develop and/or revise plans will be charged at a separate negotiable rate in addition to the scope of this proposal.
  - b. Upon review of the Technology Plans as listed, it may be our recommendation that some schools modify and update their plans to be in compliance with SLD guidelines depending upon services and products requested.
  - c. Elite Fund is not responsible for the content, completeness, or implementation of a district's technology plan. It is the district's responsibility to fully comply with all NCLB, state, and E-Rate technology guidelines.
4. Elite Fund will complete Form 470 for Tier I services in consultation with district contact.
  - a. The district is responsible for development of appropriate technology specifications and bid language for the requested services.
  - b. Elite Fund will prepare the Form 470 and provide all information and documents to the district for signatures and submission to the SLD.
  - c. Elite Fund will post district RFP online in location as specified by consortium leader.
5. Elite Fund will complete Form 471 for Tier I services based upon district decisions.
  - a. The district is responsible for the solicitation of additional bids beyond those received as a result of the Form 470.
  - b. The district will maintain all documentation in support of their bid process and decisions in accordance with district guidelines and policies.
  - c. The district will develop and adhere to any decision criteria appropriate to the district's own policies, state law, and federal E-Rate rules.
  - d. Elite Fund will prepare and provide all information/documents to the district for signature and submission to the SLD – Form 471 and all appropriate attachments.
6. Elite Fund will assist with post-Form 471 PIA reviews with the district being the primary point of contact.
7. Upon receipt of FCDL, Elite Fund will complete Form 486 and submit it to the district for signatures and submission to the SLD to start the revenue stream.
8. Elite Fund will work with each district contact and approved vendor to receive E-Rate funds through discounted or non-discounted bills based upon district decision. Elite Fund will complete all BEAR forms for non-discounted services. Accounting for such non-discounted services received will be the district's responsibility.

# Universal Service Fund:

## *Clare-Gladwin RESD's Opportunity to Grow and Expand Educational Opportunities through Technology*

### **What could Clare-Gladwin RESD receive from the Universal Service Fund?**

The Universal Service Fund (USF) or the Federal E-Rate Program provides dollars to public schools and libraries across the country to enhance telecommunication. The dollars distributed are based upon a percentage derived from the local district's free and reduced lunch count (or other approved data indicating poverty level). The dollars may be used in three broad categories:

1. Telecommunications Services (local, long distance, cellular telephone, and paging services)
2. Internet Access (Internet service provider and other related charges)
3. Internal Connections (wiring and electronics to enable #1 or #2)

Once the Priority 1 services, telecommunications and Internet, are funded, eligible internal connections (Priority 2) are funded beginning with those districts/buildings that qualify at the 90% level and continuing one percentage point at a time until the money runs out. Each year the federal government allocates dollars to help reduce the costs of products and services in these three areas. Depending upon a district's or building's free and reduced lunch count, discounts of 50% to 90% may be attained. In other words, if a district qualifies at the 70% rate, the school pays only 30% of the costs for approved products or services. The district's \$1,000 phone bill becomes only \$300.

### **What must we do to take advantage of USF?**

To receive USF dollars, each district **must** apply for funding approval based upon the criteria established by the Federal Communications Commission and implemented by the Schools and Library Division (SLD) of the Universal Service Administrative Company (USAC). In short, a district must do five things to receive funds:

1. Solicit bids for approved products and services.
2. Identify and request funding for the approved products and services the district is under contract to receive.
3. Request funds when the approved products and services have been received.
4. Comply with Children's Internet Protection Act (CIPA) and the Neighborhood-Children's Internet Protection Act (N-CIPA).
5. Develop state-approved technology plan.

## **What does Elite Fund, Inc. do to help us?**

Elite Fund, Inc. can help you take full advantage of the potential for USF funding. We do this by applying, monitoring, tracking, and evaluating E-Rate efforts on behalf of your district. These services will be supplied between July 1, 2005 and June 30, 2006.

This includes **support for multiple funding years**. It is normal for work to be done for three (or more) USF funding years within one school fiscal year. For example, during school year 2005-06, funding requests and follow-up need to be completed for Funding Year 2004; the revenue stream must be started for the Funding Year 2005; and applications must be prepared and submitted for Funding Year 2006.

### **In general, USF services include:**

- ◆ Identify District's needs:
  - Assist with planning for USF
  - Research SLD/USF regulations prior to application
  - Assist your district with the development of equipment and/or service specifications to accomplish planned and needed service
  - Gather all relevant data
- ◆ Complete SLD **Form 470** applications (each product/service -- Priority 1 and 2)
  - Post application online
  - Build Request For Proposal (RFP) drafts as needed
  - Contact district personnel to discuss RFP specification changes
  - Modify RFP's drafts to reflect district needs
  - Post RFP's to web site or make available for distribution upon request
  - Solicit bids from vendors, if necessary
- ◆ Complete SLD **Form 471** application
  - Apply for products and services from district identified vendors based upon bids submitted and bid assessment criteria
  - Work with district to develop contract language/purchase order for SLD approval
  - Post application online
  - Answer vendor questions in response to applications and RFP's
- ◆ Complete SLD **Form 486** application and complete and collect **Form 479** where necessary
- ◆ Make sure all details are finalized
  - Solicit all appropriate signatures and mail applications to SLD
  - Respond to SLD's requests for information and problem resolution (PIA)
  - Work with vendors providing the products and service requested for funding to ensure correct billings and reimbursements

9. Service as described will be included for **Tier II applications** (internal connections) for districts/buildings that may qualify at the 80% level or higher.
  - a. If desired, Elite Fund will complete Tier II applications for entities qualifying at less than 80% based upon a separately negotiated contract with each entity.
10. The complete scope of work covered by this proposal is as described.
  - a. Any *Selective Review* or *Technical Audits* are the responsibility of the district.
  - b. The scope of work does not include other detailed appeals, on-site audits, or unusual problems.
  - c. Any fees for consultant work in addition to this proposal will be negotiated and charged separately.
11. Elite Fund, Inc. makes every effort to ensure funding. Elite Fund does not warrant service beyond its control (i.e. district providing inaccurate or incomplete data or failure to provide requested information OR the SLD's interpretation of guidelines and reduction/rejection of funding).
  - a. If the lack of funding is attributable to an error on the part of Elite Fund, Inc., a percentage of the service fee related to the error shall be refunded to the district based upon the number of FRNs within each district's 471 applications with the liability limited to \$1,000 for each FRN (i.e. four FRNs with one not funded due to Elite Fund error = 25% of district-level service fee refunded).
12. The USF Service Contract may be broken by either party with 30 days notice. If CGRES D chooses to sever contract, financial obligations are as follows:

| <i>Contract Severance Date</i>        | <i>Payment Due</i> |
|---------------------------------------|--------------------|
| 30 days prior to start of fiscal year | \$0                |
| July 1 – September 30                 | 35%                |
| October 1 – December 31               | 75%                |
| January 1 or After                    | 100%               |

13. **Communication** is an important element to the successful partnership between Elite Fund and its client schools.
  - a. Elite Fund representatives shall personally visit each district a **minimum** of three times each fiscal year to gather information and to update designated personnel as to the status of their district's E-Rate services/applications/funding.
  - b. Elite Fund shall deliver, fax and/or email copies of all applications and supporting documentation to the district designee.
  - c. Elite Fund shall maintain a complete file of all E-Rate activity for each district (applications, RFPs, vendor correspondence, communication notes, vendor quotations, etc.).
  - d. Because of SLD deadlines and other time limitations, the school designee shall email/fax/send copies of all correspondence related to SLD notification letters, PIA requests, etc to Elite Fund, in a timely manner.
14. In order to successfully complete USF applications, Elite Fund may request various pieces of data related to school operation (i.e. budget, bidding processes, purchases, planning, etc.) that may be sensitive. Elite Fund understands the importance of privacy and will instruct all employees in matters of client confidentiality.

## What will it cost for Elite Fund, Inc. to help us?

The pricing structure is based upon a **partnership** between the district and Elite Fund, Inc. **for one year**. In other words, Elite Fund will handle all reasonable and customary Universal Service Fund issues as set forth in the *Scope of Services* for a period of one year from **July 1, 2005 to June 30, 2006**. Elite Fund will complete all applications (Priority 1 and 2), post specifications for RFP's, submit all forms, work with the SLD through their Program Integrity Assurance Reviews, do all of the research, and answer vendor questions as they may relate to the E-Rate Program.

- ◆ **One Year Contract (Same price as 2003-04 rate)**

- ◆ Price\* as a consortium (Total consortium (CGRESD and five LEAs) Annual Fee = \$29,000). Fee is based upon **one invoice** to consortium fiscal agent and **payment** from the agent.
- ◆ Individual LEA pricing based upon consortium (all units participating)
  - ◆ Beaverton Base Bid = \$4,250
  - ◆ Clare Base Bid = \$4,250
  - ◆ CGRESD Base Bid = \$7,750
  - ◆ Farwell Base Bid = \$4,250
  - ◆ Gladwin Base Bid = \$4,250
  - ◆ Harrison Base Bid = \$4,250

\*This pricing structure assumes centralized filing for district communication services.

**Payment Dates:**

- Payment #1: 20 % -- Due upon approval of bid
- Payment #2: 30% -- October 1, 2005 or following Form 470 submission
- Payment #3 30% -- February 1, 2006 or following Form 471 submission
- Payment #4: 20% -- June 1, 2006

## Alternate Bids for Multi-Year Contract

**Two Year Contract Annual Fee = \$27,550 (5% discount from one year contract)**

- ◆ Price\* per local district as a consortium
  - ◆ Total consortium (CGRESD and five LEAs). Fee is based upon **one invoice** to consortium fiscal agent and **payment** from the agent.
- ◆ Individual LEA pricing based upon consortium (all units participating)
  - ◆ Beaverton Base Bid = \$4,037.50
  - ◆ Clare Base Bid = \$4,037.50
  - ◆ CGRESD Base Bid = \$7,362.50
  - ◆ Farwell Base Bid = \$4,037.50
  - ◆ Gladwin Base Bid = \$4,037.50
  - ◆ Harrison Base Bid = \$4,037.50

**Three Year Contract Annual Fee = \$26,100 (less than 2004-05 rate; 10% discount from one year contract)**

- ◆ Price\* per local district as a consortium
  - ◆ Total consortium (CGRESD and five LEAs). Fee is based upon **one invoice** to consortium fiscal agent and **payment** from the agent.
- ◆ Individual LEA pricing based upon consortium (all units participating)
  - ◆ Beaverton Base Bid = \$3,825
  - ◆ Clare Base Bid = \$3,825
  - ◆ CGRESD Base Bid = \$6,975
  - ◆ Farwell Base Bid = \$3,825
  - ◆ Gladwin Base Bid = \$3,825
  - ◆ Harrison Base Bid = \$3,825

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### Non-Consortium Pricing

- ◆ Contract price per local district if contracted with the LEA separately:
  - \$4,000 for less than \$20,000 revenue
  - \$5,000 for \$20,000 - \$50,000
  - \$7,000 for \$50,000 - \$100,000
  - \$9,000 for greater than \$100,000

The E-Rate consultants with Elite Fund have provided USF Services to schools since the first year – 1998. Elite Fund, Inc. was incorporated in 2003 and neither advocates nor sells products or services that are USF eligible.

This proposal provides complete USF services for the school's fiscal year for each year of the contract. This includes **support for multiple funding years**.



## **Who is Elite Fund, Inc.?**

Elite Fund, Inc. is a full service consulting group providing support for technology planning, distance learning, educational grant writing, strategic planning and E-Rate funding.

## **Who will provide my E-Rate support?**

- ♦ **Michon Wiesen**, Executive Account Manager, worked for an Intermediate School District, spent the last two years in a local governmental agency and served on a local school board. Her grant writing and review knowledge as well as her business experience provide valuable expertise.
- ♦ **George Winchell**, President, has 36 years of experience in public education. He has taught, served as Director of Curriculum and Instruction, and as Director of Technology. He is a consultant with Michigan Virtual High School and teaches for Central Michigan University. He is recognized statewide as a leader in the use of technology in instruction. He has successfully helped districts access over \$14 million in Universal Service Funds since its start in 1998.

## **Why choose Elite Fund, Inc. to support our USF efforts?**

- ♦ Our USF Team takes the burden off your technical/administrative staff.
- ♦ We have a proven track record
- ♦ Our services are cost effective; good return on investment
- ♦ Our team is trained and regularly monitors changes in the E-Rate (USF) program.
- ♦ We are local and will meet with you face-to-face.
- ♦ Our USF team works together to ensure error-free applications.
- ♦ Money obtained may easily cover costs, making it an easy decision.
- ♦ Through our analysis we may save you additional money on your telecommunications bills. For example, we found charges for telco lines that were no longer being used, saving the one district over \$300.00/month. We also found that another district had been slammed saving them over \$100.00/month. We have worked with Telecommunications Auditors to reconfigure telephone services accessing a variety of vendors to save districts thousands of dollars each year.

**Elite Fund, Inc. is pleased to offer this service. With Elite Fund monitoring your district's E-Rate efforts, we are confident that we can help you to improve and enhance your educational communications infrastructure.**

**Let us help you *grow and expand educational opportunities through technology!***